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No. 3809

LAW AND PARLIAMENTARY AFFAIRS SECRETARIAT

Notification No. LAW 64 LGN-75.

Bangalore, dated 21st October, 1975.

Ordered that the Karnataka Debt Relief Ordinance, 1975, promulgated by the Governor of Karnataka in the Twenty-sixth Year of the Republic of India, be published as Karnataka Ordinance No. 15 of 1975 in the *Karnataka Gazette* for general information.

KARNATAKA ORDINANCE NO. 15 OF 1975

The Karnataka Debt Relief Ordinance, 1975

(*Promulgated by the Governor of Karnataka in the Twenty-sixth Year of the Republic of India and first published in the* Karnataka Gazette *Extraordinary on the Twenty-first day of October, 1975*).

AN Ordinance to provide relief from indebtedness to small farmers, landless agricultural labourers and weaker sections of the people in the State of Karnataka.

WHEREAS the Karnataka Legislative Assembly is not in session and only the Karnataka Legislative Council is in session the Governor of Karnataka is satisfied that circumstances exist which render it necessary for him to take immediate action to provide relief from indebtedness to small farmers, landless agricultural labourers and weaker sections of the people in the State of Karnataka,

AND WHEREAS, the instruction of the President have been obtained in pursuance of the proviso to clause (1) of Article 213 of the Constitution ;

NOW, THEREFORE, in exercise of the powers conferred by clause (1) of Article 213 of the Constitution of India, the Governor of Karnataka is pleased to promulgate the following ordinance, namely :—

1. **Short title and extent.**—(1) This Ordinance may be called the Karnataka Debt Relief Ordinance, 1975.

(2) It extends to the whole of the State of Karnataka.

2. **Declaration.**—It is hereby declared that this Ordinance is for giving effect to the policy of the State towards securing principles specified in Article 46 of the Constitution of India.

3. **Definitions.**—In this Ordinance, unless the context otherwise requires,—

(a) 'agriculture' includes,—

(i) horticulture;

(ii) the raising of crops, grass or garden produce;

(iii) dairy farming;

(iv) poultry farming;

(v) breeding of livestock;

(vi) grazing.

but does not include the cutting of wood only;

(b) 'debt' means any liability in cash or in kind, whether decreed or not and includes any amount which is in substance a debt; but does not include arrears of taxes due to the Central or the State Government or a local authority;

(c) 'debtor' means,—

(i) a small farmer; or

(ii) a landless agricultural labourer; or

(iii) a person belonging to the weaker sections of the people;

(d) 'landless agricultural labourer' means a person who does not hold any land and whose principal means of livelihood is manual labour on land;

(e) 'small farmer' means a person who holds whether as owner, tenant, or mortgagee with possession or partly in one capacity and partly in another not more than one unit of land and who has no income from any source other than agriculture;

Explanation :—Where a person holds more than one category of land referred to in clause (f), the extent of land held by him shall be determined according to the following formula, namely:-

Two hectares of unirrigated lands=one hectare of rainfed wet land=half hectare of land having facilities for growing one irrigated crop=half hectare of land used for growing plantation crops or grapes, or coconut or arecanut or mulberry=quarter hectare of land having perennial irrigation facilities or facilities for growing more than one irrigated crop in a year;

(f) 'unit' means —

(i) two hectares of unirrigated lands ; or

(ii) one hectares of rainfed wet land ; or

(iii) half hectare of land having facilities for growing one irrigated crop ; or

(iv) half hectare of land used for growing plantation crops or grapes or coconut or arecanut or mulberry ; or

(v) quarter hectare of land having perennial irrigation facilities or facilities for growing more than one irrigated crop in a year ;

Explanation.—In this clause 'plantation crop' means cardamum, coffee, rubber and tea ;

(g) 'weaker sections of the people' means persons not being small farmers or landless agricultural labourers, whose annual income from all sources does not exceed two thousand and four hundred rupees.

Relief from indebtedness.—Not withstanding anything in any law for the time being in force or in any contract or instrument having force by virtue of any such law and save as otherwise expressly provided in this Ordinance, with effect from the date of commencement of this Ordinance,—

(a) every debt advanced before the commencement of this Ordinance including the amount of interest if any, payable by the debtor to the creditor shall be deemed to be wholly discharged ;

(b) No Civil Court shall entertain any suit or proceeding against the debtor for the recovery of any amount of such debt including interest, if any :

Provided that where a suit or proceeding is instituted jointly against the debtor and any other person, nothing in this section shall apply to the maintainability of the suit or the proceeding in so far as it relates to such other person ;

(c) all suits and proceedings (including appeals, revisions, attachments or execution proceedings) pending

on the said date against any debtor for the recovery of any such debt shall abate.:

Provided that nothing in this clause shall apply to the sale of —

(i) any moveable property held and concluded before the commencement of this Ordinance;

(ii) any immoveable property confirmed before such commencement ;

(d) every debtor undergoing detention in a Civil prison in execution of any decree for money passed against him by a Civil Court in respect of any such debt shall be released ;

(e) every moveable property pledged by a debtor shall, stand released in favour of such debtor and the creditor shall be bound to return the same to the debtor forthwith and where the creditor fails to do so the debtor shall on application made to the Sub-Divisional Magistrate having jurisdiction over the place where the debtor resides be entitled to the return of the same ;

(f) every mortgage executed by the debtor in favour of the creditor shall stand redeemed and the mortgaged property shall be released in favour of such debtor.

Explanation :—Nothing in this section shall be construed as entitling any debtor for refund of any part of any debt already repaid by him or recovered from him before the commencement of this Ordinance.

5. **Burden of proof :**—Notwithstanding anything in any law, in any suit or proceeding, the burden of proving that the debtor is not entitled to protection of this Ordinance shall lie on the creditor.

6. **Certain debts and liabilities not to be affected :**— Nothing in this Ordinance shall affect the following categories of debts and liabilities of small farmers, landless agricultural labourers and weaker sections of the people, namely :—

(a) any rent due in respect of any property let out to such debtor ;

(b) any amount due under a hire purchase agreement ;

(c) any amount recoverable as arrears of land revenue ;

(d) any liability arising out of breach of trust or any tortuous liability ;

(e) any liability in respect of wages or remuneration due as salary or otherwise for services rendered ;

(f) any Liability in respect of maintenance whether under a decree of a court or otherwise ;

(g) a debt due to —

(i) the Central Government or any State Government ;

(ii) any local authority ;

(iii) a credit agency within the meaning of the Karnataka Agricultural Credit Operations and Miscellaneous Provisions Act, 1974 (Karnataka Act No. 2 of 1975) ;

(iv) any Government company within the meaning of the Companies Act, 1956 ;

(v) the Life Insurance Corporation of India ;

(vi) a Co-operative Society ; and

(h) any debt which represents the price of goods purchased by such debtor.

7. Repeal of Karnataka Act No. 38 of 1975.—The Karnataka Debt Relief Act, 1975 (Karnataka Act 38 of 1975) is hereby repealed :

Provided that such repeal shall not affect the previous operation of the said Act.

MOHANLAL SUKHADIA,
GOVERNOR OF KARNATAKA.

By Order and in the name of the Governor of Karnataka,

M. L. RAMASWAMI,
Draftsman and Ex-Officio
Joint Secretary to Government,
Department of Law and Parliamentary Affairs.

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